

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 13, 1995

SUBJECT: **SB 652 - HB 1228**

This bill, if enacted, will require that African American dropout rates organized by schools and school systems be included in the Commissioner's Annual Report Card student dropout rates organized by schools and local school systems.

The bill provides that if a school system reports a variance of 5% or more between its systemwide dropout rate and systemwide African American dropout rate, the school system will be required to develop and implement a plan of action for reducing the variance.

Further, if a school or school system achieves its overall dropout rate goal, but its African American dropout rate exceeds the goal, incentive grants for the school or system will be withheld.

The fiscal impact from enactment of the bill is estimated to result in an increase in state expenditures of approximately \$5,000 for inclusion of this data in the Commissioner's Annual Report Card.

Enactment of this bill is further estimated to result in an increase in local government \* expenditures for the development and

implementation of plans to address any variance in dropout rates. Such increase in expenditures is estimated to be not significant.

Also, it is estimated that enactment of this bill will result in a decrease in local government revenues due to any loss of incentive grants to local education agencies as a result of variance in the dropout rate. However, such decrease in revenues is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*